GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3102
ANSWERED ON:22.03.2002
SUBSIDIES NOT REACHING THE POOR
RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government have been drawn to the news-items `who is cornering Govt.`s goodies ? You that`s who` appearing the the `Indian Express` dated February 2, 2002;

(b) if so, the facts of the matter reported therein ;

(c) the steps taken by Government to ensure the benefits of the poverty alleviation schemes and the subsidies reaches the poor and the farmers for whom it is meant; and

(d) the total amount of expenditure incurred for subsidies during 2000-01 and 2001-2002 ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes sir,

(b) Supply of LPG, Kerosene and fertilizers to consumers involves subsidy because the cost of production and delivery of these products is higher than what the consumer pays. LPG is available at uniform price to all consumers except for variation in state taxes. The prevailing interest rate on PPF/EPF is higher than the current yield on dated government securities, thus involving subsidy.

(c) Under Public Distribution System, particular attention is made to target the poor. This works best in the case of foodgrains supply where BPL population estimated at 65.2 million families are entitled to receive foodgrains from the Central Government at highly subsidied prices - currently Rs. 4.15 per kg for wheat and Rs. 5.65 per kg for rice. The BPL families have again been singledout for further benefits when their monthly entitlement of foodgrains quota was raised from 10 kgs to 20 kgs in April 2000 and again to 25 kgs from July 2001. Under Antoydaya Anna Yojna Scheme the poorest of the poor estimated at one crore families within the BPL is supplied foodgrains at still low prices of Rs. 2 per kg for wheat and Rs. 3 per kg for rice.

(d) The amount of subsidy expenditure incurred by the Central Government on Food and Fertilizer are :

(Rs. Crore)

	2000-01	2001-2002 (RE)
Food	12,060	17,612
Fertilizer	13,811	11,944
Other Subsidies	3,971	967
Total Subsidies	29,842	30,523